



WEEK 37

FRIDAY 12 SEP 2014

THIS WEEK

- Columnist: Bernard Marantelli on sports pools
- New Paddy Power CEO announced
- Singapore introduces gambling bill
- Tweets of the week



TOP STORY

NEW JERSEY IN BETTING PROGRESS

Legal loophole could open door for sports wagering services



Acting Attorney General John Hoffman

Casinos and racetracks in New Jersey have been told they can offer sports betting without fear of criminal or civil liability. The news follows a combined Statewide Directive issued by the Attorney General's office and a motion filed on behalf of Governor Chris Christie in the US District Court.

A federal judge last year issued an injunction to ban New Jersey from implementing the Sports Wagering Act – which called for sports betting to be regulated and licensed in the state – believing it violated federal law, after the state was sued under a 1992 statute. A federal appeals court later agreed with the decision but conceded that there was nothing to prevent New Jersey repealing its own ban.

This week's development is seen as exploiting something of a loophole, with Acting Attorney General John Hoffman noting that New Jersey was not regulating, licensing or authorising sports betting, but rather telling casinos and racetracks that they wouldn't be held liable if they offered such services.

New Jersey has asked the federal court to clarify or modify the injunction which prevents the state from implementing

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the Sports Wagering Act, and also clarify that it can carry out the directive issued to law enforcement agencies. A ruling is expected on 6 October, until which time casinos and racetracks are expected to refrain from offering sports betting.

Governor Christie last month vetoed a bill that would have side-stepped federal law to offer legalised sports betting at the state's casinos and racetracks. He described federal law as "sacrosanct" and said that breaking it would be "counter to our democratic traditions and inconsistent with the constitutional values I have sworn to defend and protect".

The bill passed both houses of the state legislature with more than 90% of the vote, while New Jersey citizens had previously supported a 2011 referendum to legalise sports betting.

KEY POINTS

- Statewide Directive informs New Jersey casinos and racetracks that they can offer sports betting without fear of criminal liability
- However state is not actually regulating sports wagering
- Governor Chris Christie wants federal court to clarify or modify existing injunction preventing the state's Sports Wagering Act

CEO

ANDY MCCUE TO BECOME NEW PADDY POWER CEO

Internal candidate will replace Patrick Kennedy in January

Operator Paddy Power has announced the appointment of Andy McCue as its chief executive designate. The firm's current managing director for UK



and Ireland retail will succeed Patrick Kennedy [pictured above] as CEO on 1 January 2015.

McCue, who has been with the company for eight years, leads the group's online and retail multi-channel strategy while also having responsibility for regulatory and public affairs. He was selected for the CEO role out of what the firm describe as a "strong field of internal and external candidates".

Paddy Power chairman Nigel Northridge said: "Andy has an outstanding track record and has consistently demonstrated strong leadership across the business as a key member of the Management Committee and in his role driving the regulatory agenda."

Kennedy announced in May that he was stepping down next year after 10 years with the firm, most of which have been as CEO.

KEY POINTS

- Paddy Power confirm Andy McCue will become firm's new CEO in January
- McCue is currently managing director for UK and Ireland retail

ASIA

SINGAPORE INTRODUCES GAMBLING BILL

Legislation would outlaw online gaming in the country

A bill which would ban online gambling in Singapore has been tabled in the country's parliament. The Remote Gambling Bill would apply to international operators providing gambling services to Singapore consumers, as well as operators based in Singapore who target consumers resident outside of the country.

The bill would grant authorities the power to force banks and payment providers to block fund transfers in and out of such websites. However Singapore-based organisations could be excluded from the ban if they meet certain criteria, including being a non-profit entity which contributes to charity. The bill will be debated at the next available sitting of parliament.

KEY POINTS

- A bill which would ban online gaming in Singapore is tabled in the country's parliament



Tweets of the week

"I always get upset when @g_insider Friday mag doesn't feature my tweets. I feel I haven't been interesting or funny enough that week"
Industry consultant Aideen Shortt [\[@AideenShortt\]](#)

"MA Gaming consultant HLT says Mohegan overestimates likely local gambling revenue by 6-23%, Wynn underestimates by 14-34%"
New England Cable News Business Editor Peter J. Howe [\[@PeterHoweNECN\]](#)

"When asked about a NJ-Nev Internet gaming pact, @GovChristie says he's "spoken" to @GovSandoval about the idea"
Las Vegas Review-Journal gaming industry reporter Howard Stutz [\[@howardstutz\]](#)

GUEST COLUMNIST

“THE GLOBAL GROWTH OPPORTUNITY FOR MEGA MILLIONS-STYLE SPORTS JACKPOTS”


by **Bernard Marantelli**
Pool-betting operator founder & CEO

“Surely the new football betting season means innovation? But yet it’s another year and another race to the bottom for bookies spending millions on marketing the same ‘me too’ product, coupled with the new PoC tax, all crushing the bottom line. The industry mentality appears that biggest is best and the war of attrition to maintain player base is fierce – consolidation is inevitable.

So who would create a start-up in this environment? Either a nutter or someone who feels the lack of innovation in betting (and lotteries) by dominant slow-moving firms has created a massive opportunity in the global sports-betting market.

I am not one for the old business case, but ‘if I can get 1% of the market and make 10% profit’, then numbers can’t be ignored: the global lottery market has turnover of \$204bn, and the sports-betting industry between \$700bn and \$1,000bn. Add to that 4.7 billion, the global audience for the Barclays Premier League (1.3 billion viewers in Asia). Huge numbers and what’s more sports lottery jackpots have double-digit margins and zero losses, something publicly traded plc’s

shareholders would covet!

Sports multi-leg jackpots are successful. Take Sweden’s V75 (circa. £480m on trotting) and Spain’s La Quiniela (circa. €380m on football). Both demonstrate that the sports-betting public will play lottery-sized prizes on sports.

So what is the potential of a jackpot game with truly global buy-in on Premier League football? Could there be a billion dollar annual prize pool? Yes, as one centralised pool of European football captures the vast majority of the global market with pooled cross-country liquidity.

Let’s rewind 20 years for a glimpse of the future, to when the football pools in England had over 4 million weekly players. Enter the UK National Lottery and a lack of response from the incumbents and just two decades on, weekly pools players are 400,000. Now is the time to return sports pools betting to former glories.

And what of the Asian market? The Chinese Sports Lottery is growing and is played by some 400 million players. It is a higher margin product compared to Asian handicap betting with wafer-thin margins and agent/rebate structures. Asian operators should offer higher margin products like lotteries (sports or otherwise) given the rapid growth of China’s Sports Lottery, and learn from them. Additionally, Asia has overtaken Europe in terms of sports and lottery betting over the last five years.

There shall always be detractors to lottery-sized sports jackpots. The primary complaint being their historical ‘all or nothing’ nature. But if you modernise them and include fractional cash-in, an innovation

which enables players to sell part of a ticket that remains ‘live’ during the progress of a multi-leg game, then the complaint falls away.

For example, a player can choose to sell the entirety of a ‘Pick 6’ ticket should he have the first five correct, or sell 60% and retain the remaining 40% till the conclusion of the pool. Cash-in functionality is a runaway train that every operator needs to get on. Betfair had over 1,000,000 cash-in transactions in the first 12 months it offered the product from a standing start.

I believe that sports-based lottery-sized jackpot bets with cash-in offer a new category of products to a huge mainstream betting market, as yet untapped. For the operator it offers risk-free income and increased margins. And for the player it can provide life-changing winnings and with the fractional cash-in feature provide a compelling reason for players to realise smaller but still substantial payouts, and potentially recycle those returns within the betting platform.”

Having been a successful gambler for over a decade, Bernard Marantelli launched Colossus Bets, home of multi-million pound sports jackpots. Bernard firmly believes that lottery-sized sports jackpot bets and fractional cash-in will deliver industry growth

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Write to: editor@gamblinginsider.com



OUT NOW: Look out for the September/October issue of *Gambling Insider's* print magazine, featuring an in-depth Betting Special as we assess bookmakers' plans for a profitable football season and the potential for widespread legal sports wagering in the US

SENIOR SALES MANAGER

Location: London
Contract: Full-Time **Salary:** Competitive



EveryMatrix is looking for a seasoned sales manager to prospect and map new opportunities to introduce EveryMatrix products and services. The successful candidate will be handling the whole sale life-cycle. The ideal candidate will have at least 5 years' experience in the iGaming industry, betting or gambling sector, as well as experience with dealing and selling a range of products used within the gambling industry.

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PRODUCT MANAGER

Location: London **Contract:** Full-Time **Salary:** Competitive.



The successful candidate will be responsible for the Casino Engine of EveryMatrix and will oversee the entire product portfolio. Casino collects a very large set of providers of RNG and live dealer games in a single wallet, with a highly customisable front, available on the EveryMatrix gaming platform or seamlessly integrated into the client's platform. The Product Manager will also be accountable for the successful creation of product features and services. This includes responsibility for coordinating with other departments to manage and develop the products and services, in line with market trends, protecting the ongoing and future revenues of EveryMatrix.

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T-MINUS **17** DAYS



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